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SUBJECT: USTR/LABOR VISIT TO OMAN FOCUSES ON UNIONS, TIP

CLASSIFIED BY: Richard Schmierer, Ambassador, Department of State,
Embassy Muscat; REASON: 1.4(B), (D)

¶1. (C) Summary: A delegation led by USTR representatives visited Oman for a series of public and private sector meetings to follow-up on the labor aspects of the U.S./Oman Free Trade Agreement (FTA). At each meeting the delegation consistently emphasized the importance of labor issues to trade and the productivity benefit of well-treated workers. They pressed for foreign workers to hold their own passports, the General Federation of Worker's Union to hold its Congress and elect leadership, and for Oman to continue to combat trafficking in persons. The Omani message was one of progress in some areas, especially labor inspectors, and significant delays in others, particularly election of new leadership for the General Federation of Trade Unions (GFoTU). Overall, the team got a broad view of the Omani labor situation and, in conjunction with the Embassy team, determined the key areas for additional engagement. End Summary.

¶2. (C) Assistant USTR for Labor Lewis Karesh led a delegation including Amy Karpel, Associate General Counsel for USTR, Timothy Wedding, Deputy Director, Office of Trade and Labor Affairs, Department of Labor, James Rude, International Relations Officer, Office of Trade and Labor Affairs, Department of Labor, Robert Boehme, Director, DRL-IL, Department of State and Anupama Prattipati, EBB/Multilateral Trade, Department of State. The delegation held two days of meetings in Muscat on October 5-6, accompanied by the Ambassador or DCM and the pol/econ officer.

Ministry of Commerce and Industry (MOCI)

¶3. (C) The first meeting was with the Undersecretary for Commerce and Industry Affairs at the MOCI, H.E. Engineer Ahmad bin Hassan al-Dheeb. The Undersecretary expressed his appreciation for U.S. assistance in conducting seminars in Oman on the FTA and noted that U.S. companies were now registering here just like Omani companies. On labor issues, al-Dheeb thought that with the royal and ministerial decrees, Oman was moving "from better to better" and recognized the importance of labor issues to trade relations. However, he acknowledged that after the implementation of any agreement or new laws, there is still a lot of work to be done and time is required for people to understand and accept changes. On the issue of a standing sub-committee for labor under the FTA, al-Dheeb believed that there were only ad-hoc committees, while Karesh clarified that some countries have standing committees. MOCI officials did not see a need to establish a subcommittee and thought it would be more appropriate to deal with issues on an ad-hoc basis.

International Labor Organization (ILO)

14. (C) The ILO had representatives in town conducting training and workshops for various GOO officials. Fortunately, this allowed an opportunity for Khawla Matter, Senior Specialist, Fundamental Principles and Rights at Work (Lebanon), and Roger Plant, Head, Special action programme to combat forced labor (Geneva), to meet with the delegation. Matter covered Omani progress in the past two years with the introduction of the labor inspectorate. She said that the number of violations is being reduced as they emphasize "prevention, not prosecution." Matter praised Oman's involvement, saying that they were the most responsive country in the region on labor issues. She said that the Ministry of Manpower (MoM) had undertaken the implementation of each of the ILO's suggestions - including hiring women labor inspectors and giving all inspectors additional training in English. She confirmed that the Minister of Manpower had requested and completed TIP training for all of his directors. Mattar also explained that the ILO has worked extensively with the unions in Oman and urged the delegation to pressure the MoM to approve the GFoTU Congress for elections. She thought that, due to Omani culture, the unions would need a strong signal that the government was behind them before holding elections. It was her view that Oman was being pressured by other GCC countries not to do much with unions and that there was opposition to unions somewhere in the Council of Ministers. Of the 64 registered unions in Oman, she estimated that five might be "effective" at this stage. ILO officials expressed the view that with the growing labor movement in Oman, some workers are reporting subtle pressure from employers not to join unions. Additionally, they reported that the withholding of passports from foreign

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workers is still occurring across business sectors.

General Federation of Trade Unions (GFoTU)

15. (C) Appointed GFoTU Chairman Saoud al Jabri hosted the delegation at the group's new headquarters. He said that the Congress might be held in December and that the delays were not related to the workers but to the Ministry of Manpower. He relayed that the MoM said the congress might be held before the end of the year, but would for sure be before the next Arab Labor Conference (in March 2010). Al-Jabri said he told the Minister of Manpower that he will not attend the next Arab Labor Conference if the Congress has not been held. He thought that the Congress was critical as that is when the workers will validate the constitution and elect leaders. Currently, unions register with the MoM; the GFoTU has asked the MoM to inform it when a union registers so that the GFoTU can reach out to the union. The MoM appears to be honoring this request. The GFoTU is currently supported by a grant from the GOO; it not currently collecting dues, as it wants to show value before asking for money. Al-Jabri did not believe the GFoTU would be self-supporting any time soon - citing examples in other regional countries where they are still supported by the government after many years. He thought that no true collective bargaining had taken place, although the unions are negotiating for specific job conditions, such as wages and hours of work, and that additional education on collective bargaining was needed for the workers. The GFoTU currently considers all unions in Oman to be GFoTU members; however, once the GFoTU starts collecting dues only unions that pay dues will be regarded as members. Al-Jabri described a comprehensive program called "Decent Work," developed by the ILO, the GOO, workers and employers which will be signed by the three parties and covers the next 2-3 years. As part of the "Let's Work" campaign, the government and the GFoTU have been educating workers about unions and then letting them determine if they wish to form one. Al-Jabri noted that he was hearing of many instances of alleged anti-union discrimination, including dismissals. He thought that many employers were unaware of the law protecting trade union rights and that training needed to go beyond Chamber of Commerce to cover more employers. He opined that the foremost priority of the GFoTU is to bridge the gap between

government and the private sector - that private sector gets lower salaries, less time off and less social security. He noted that there are already foreign workers in leadership positions in some unions and that after the Congress he wants to have a committee focused on the needs of non-Omanis. The GFoTU has been discouraging more than one union in an enterprise as unions are new and still forming and no one wants to get into conflicts.

Ministry of Manpower (MoM)

16. (C) The group met with one of the Minister's key advisors, Dr. Ali Hassan Ali al Abduwani, who opened the meeting with a discussion of the "heinous crime" of TIP and the shock he felt when Oman was put in Tier 3 in 2008. He noted appreciation for this years Tier 2 ranking and welcomed further U.S. cooperation and assistance. He outlined the improvements made in TIP and has looked at the recommendations in the 2009 report for action. Dr. Ali was interested in forming a joint labor committee under the FTA. When asked about the issue with the GFoTU election, he was surprised, saying that the MoM had granted them their full budget request and that the MoM is not causing any delay. He thought that the ILO wanted to hold the elections in December and believed it would happen toward the end of that month. He acknowledged that tripartite dialogue was not progressing too well, but felt it was due to the lack of engagement in the business community. He noted that there is no issue with child labor in Oman as it does not issue work visas to expatriates under the age of 21 and that more than 89% of Omani children are in school. Dr. Ali acknowledged that forced labor was not well understood by other agencies, employers, and the public and recognized the need for the MoM to make efforts to clarify the issue. He said that new regulations on recruitment agencies, which would address responsibilities between an agency and employer and between a worker and sending country, were in draft and might be done this year. He did not believe that the MoM has seen any discrimination based on union involvement, but that there was one case before the courts now where the employee maintained the dismissal was because of his union involvement while the employer cited other reasons. When asked about trends being

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seen by the labor inspectors, he said none had emerged and that it would take time; while noting that the inspectorate was working with the ILO to collect more information and to computerize the data collected. On passport holding, he said it was difficult because the employer had responsibility for the employee and needed to have some control; however, he said it was only legal if the employee asked the employer to safeguard his/her documents. He explained that immigration laws in Oman allow an employee to leave the country at any time and return up to six months later using the same labor card, posing an additional issue for employers if their employees leave the country. Another member of the MoM team noted concern over reports the ministry has received of workers selling their passports in order to be photo-substituted by others. Dr. Ali emphasized that if an employer is keeping a passport without the employees consent, the employee can take the employer to court and force the return of the passport - which he said had been done in four cases.

Oman Chamber of Commerce and Industry (OCCI)

17. (C) The Chairman of the OCCI, H.E. Khalil bin Abdullah al Khunji emphasized that he is always encouraging companies to have unions and offers unions the use of OCCI facilities free of charge. He welcomed additional training, especially on the benefits of unions for employers. He thought businesses were more comfortable with the labor inspectorate now as they had become more professional and been trained by the ILO. He was unaware of any actual collective bargaining going on in Oman. He did not find the issue of passport

safeguarding very important as he believed that most unskilled workers wanted their employer to hold their passport. He noted that to him decent housing was a far more pressing issue and that the Ministry of Municipalities was responsible for inspecting labor camps. If they find a violation of the code, they give the camp two weeks to come into compliance. He said Oman still has difficulty having enough skilled Omanis for jobs and that with 20 colleges and universities here trying to fill the demand, they could always use more teachers from the U.S.

Ministry of Foreign Affairs (MFA)

18. (C) The final meeting was held with the MFA and was with Counselor Sayyid Muhammad bin Harub al-Sa'id, Deputy Chief for Multilateral Cooperation, and Hamed Saif al Rawahi, Deputy Chief for Arab and International Affairs, both of the Economic and Technical Cooperation Department. Sayyid al-Sa'id opened the meeting by asking about USG concerns. He clarified that Omanis are concerned about foreign workers holding their own passports because Oman does not have extradition treaties with all labor sending countries and thus "some countries assist their nationals returning home unpunished." He believed that a minimum wage for foreign workers was under review in Oman and that "in due course it will happen." He emphasized Oman's belief in the equality of workers - both Omani and expatriate - and brought up what he felt was the oft overlooked concern that Oman has for the rights of the handicapped.

19. (C) Comment: The lack of government control of the message and uneven spread of information was evidenced by the wide variety of views that the delegation heard on several topics. The FTA has spurred reforms, but clearly more needs to be done. The issue of the delayed GFOTU Congress is emblematic of the nascent nature of the trade union movement and its dependence on the Omani Government. The issue has been on-going for two or more years and there is little confidence that the election will happen in December. Similarly, Oman has made important strides on combating trafficking in persons, and they need to build on that progress. Among continuing priorities are working with Oman to build independent and effective trade unions, urging passport holding to cease, and encouraging further business support for unions. End Comment.

110. (U) This message has been cleared by the delegation.
Schmierer